

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 10, 2007**

**TO:** Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2173** by Cook, Byron (Relating to the continuation and functions of the Prepaid Higher Education Tuition Board.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend statute relating to the Prepaid Higher Education Tuition Board and require the board to adopt an ethics policy and allow the board member to be reimbursed for travel expenses for attending required training. In addition, the bill would allow the board to return to the purchaser of a tuition contract amounts in excess of an institution of higher education's tuition and required fees if the board determined that it can do so without affecting the actuarial soundness of the program.

The bill would further require the board to establish, by rule, the procedures for determining when and under what conditions to open enrollment after enrollment had been suspended and allow the board to establish a maturity period between the time a purchaser entered into a contract and the time the board would have to pay any tuition and fees on behalf of the beneficiary for contracts entered into after December 31, 2003. In addition, the board would be required to conduct a study, no later than December 1, of each even-numbered year, that reflects how the impact of tuition deregulation on tuition rates has affected the program.

It is assumed that any additional costs associated with implementing the provisions of the bill could be absorbed within existing state resources. This bill would take effect immediately upon enactment if it received two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2007.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts

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